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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/751,900	12/29/2000	Hartley C. Starkman	60709-00011	9152
7590	02/09/2004		EXAMINER	
John S. Beulick Armstrong Teasdale LLP One Metropolitan Sq., Suite 2600 St. Louis, MO 63102			AKERS, GEOFFREY R	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 02/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No. 09/751980
Applicant(s) J. Subrosa
Examiner A. H. S.
Art Unit 2624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 1/9/04
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 1-31 is/are pending in the application.
- 4a) Of the above, claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 1-31 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claims _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) The proposed drawing correction filed on _____ is: a) approved b) disapproved by the Examiner.
If approved, corrected drawings are required in reply to this Office action.
- 12) The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some* c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

*See the attached detailed Office action for a list of the certified copies not received.

- 14) Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).
a) The translation of the foreign language provisional application has been received.
- 15) Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) Notice of References Cited (PTO-892)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) Information Disclosure Statement(s) (PTO-1449) Paper No(s). _____
- 4) Interview Summary (PTO-413) Paper No(s). _____
5) Notice of Informal Patent Application (PTO-152)
6) Other: _____

DETAILED ACTION

Response to Request for Continued Examination (RCE)

1. This action is issued in response to applicant's Request for Continued Examination(RCE)(Paper # 11) and Amendment B(Paper #8) entered on 1/29/04.
2. Claims 26-31 were added. Claims 1,4-7,10-13,15,18-23 were amended. No claims were cancelled.
3. Claims 1-31 as amended, including newly added claims, are pending.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.
5. Claims 1-31 as amended, are rejected under 35 USC 103(a) as unpatentable over McCauley(US Pat. No: 6,067,533) in view of Keyes(US Pat. No: 6,456,983) and further in view of Basch(US Pat. No: 6,658,393).

6. As per claims 1-31 McCauley teaches a method for generating a loan model for assessing a borrower's ability to pay(Abstract)(Fig 2)(col 2 line 64-col 3 line 35)(col 4 lines 6-63) as well as default rates(Abstract)(Fig 1/120)(Fig 4) and ability to pay rate(Fig 1/150) as well as analyzing loan models using loan experience databases(Fig 220/230). McCauley further teaches an ability to pay rate(Fig 1/150) a current

rate(market)(Fig 1/140) and a default rate(Fig 1/120) for the borrower as well as a user's review of the analysis with a loan model information data set(Fig 2/240) and the generation of a subsequent business plan(Fig 2/250). McCauley further teaches a loan experience database(Fig 3/352) and different model generators(Fig 3/354) and an analyzer-processor(Fig 3/356) as well as calculation of ability to pay, and default rates of borrowers for any time period (Fig 4/440) and the concomitant restructuring of the loan(Fig 4/450) and the loans re-amortization as a means of resolution(Fig 4/460).

McCauley also teaches charge-off of bad loans(Fig 4/410) and calculation of projected mortgage insurance expenses(Fig 4/420) and as comparison of loan models(Fig 5/520) and generation of warnings(Fig 5/540) and a side-by-side comparison of models(Fig 5/550). McCauley further teaches solutions to dealing with non-performing loans(col 10 lines 20-31) including a hierarchy of options that permits lenders to make a more quantitative evaluation of options and roll rates(col 10 line 32-col 11 line 11). In addition to that taught by McCauley, Keyes also teaches a method for determining payment history on delinquent accounts(Abstract). Keyes also teaches a means of evaluating offers which has been made in relation to delinquent accounts(Abstract)(col 1 line 58-col 3 line 67) as well as a delinquent account dispositioning system(Fig 1/100) and an historical portfolio module(Fig 1/102) and an evaluation module(Fig 1/104). Keyes teaches establishing an historical portfolio(Fig 2/2) from a current portfolio of current delinquent accounts(Fig 2/50) and the calculation of a score for each delinquent account in the historical portfolio using the statistical model(Fig 4/6) and definition of a plurality of score cluster(Fig 2/10) and establishing a liquidation profile for each

historical portfolio which may be related to a roll rate(Fig 2/14). Keyes also teaches a distribution of loan portfolio scores(Fig 3).Keyes also teaches identification of a current portfolio of delinquent accounts for analysis(Fig 5/50) and calculation of a score for each current delinquent account in the current portfolio(Fig 5/54) and assignment of each current delinquent account to a current portfolio using score clusters(Fig 5/58) and obtaining a liquidation profile of relevant historical portfolio groups(Fig 5/62) and computation of the projected value of each current portfolio(Fig 5/66) and comparison of each projected value with the offer for the loans(Fig 5/70). In addition to that taught by Keyes, Basch also teaches a system for analyzing financial risk on accounts which could be used to determine loan delinquencies(Abstract).Basch further teaches utilizing a predictive model based on historical data(Abstract) as well as an account risk score and a credit risk alert(Fig 1) in the financial risk prediction system. Basch further teaches predictive model generation(Fig 2/206) as well as collection record archiving(Fig 3A/204/202) and a collection of scorable transactions(Fig 3A) as well as loan performance analysis one by OLAP(Fig 3B/214) utilizing account risk scores and customer account databases(Fig 3B).Basch also teaches predictive scores derived and application of as filter to the generation of the predictive model(Fig 6/614). It would have been obvious to one skilled in the art at the time of the invention to combine McCauley in view of Keyes and further in view of Basch to teach the above. The motivation to combine McCauley in view of Keyes is to teach a method for determining the method of disposition of delinquent accounts through independent analysis and subsequent dealing with the identified delinquent accounts as enunciated by Keyes(col

1 line 64-col 2 line 2). Also, the motivation to combine McCauley in view of Keyes and further in view of Basch is to teach a method for quantifying financial risk to minimize loss to account issuers through historical patterns as enunciated by Basch (col 3 lines 35-50).

Claim Rejections - 35 USC § 112

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-31 are further rejected under 112(2nd) for failing to point out and precisely and distinctly claim what applicant regards is the invention. No algorithm, defining equations or methodology is delineated in the re-marketing model and the collections model.

Response to Arguments

9. Applicant's arguments entered 1/29/04 have been fully considered but are moot in view of the new grounds of rejection.

Conclusion

10. **THIS ACTION IS MADE NON-FINAL.**

11. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the

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examiner are unsuccessful, the examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703)-308-1113.

GRA


February 4, 2004

DR. GEOFFREY R. AKERS, P.E.
PRIMARY EXAMINER